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ACTION WHA-00

CARACA 03392 191218Z

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INFO	LOG-00	NP-00	AID-00	ACQ-00	CEA-01	CIAE-00	COME-00
	CTME-00	DINT-00	DODE-00	DOEE-00	ITCE-00	DOTE-00	SRPP-00
	DS-00	EB-00	EXME-00	E-00	FAAE-00	FBIE-00	UTED-00
	VC-00	FRB-00	H-01	TEDE-00	INR-00	IO-00	ITC-01
	L-00	VCE-00	AC-01	DCP-01	NSAE-00	NSCE-00	OES-01
	OMB-01	OPIC-01	PA-00	PC-01	PM-00	PRS-00	ACE-00
	P-00	SP-00	IRM-00	SSO-00	STR-00	TEST-00	TRSE-00
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P 191150Z NOV 01
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC PRIORITY 3985
INFO AMEMBASSY BOGOTA
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA

UNCLAS CARACAS 003392

E.O. 12958: N/A
TAGS: ECON, PGOV, PINR, PREL, EPET, VE
SUBJECT: BUSINESS ASSOCIATIONS STOP COMMUNICATION WITH GOV

1. SUMMARY. THE VENEZUELAN FEDERATION OF CHAMBERS OF
COMMERCE AND INDUSTRY (FEDECAMARAS) ANNOUNCED THE SUSPENSION
OF DIALOGUE WITH THE GOV TO PROTEST PRESIDENT CHAVEZ'S
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SIGNING OF A PACKAGE OF LAWS (REPORTED SEPTTEL) WITHOUT
CONSULTING PRIVATE BUSINESSES. FEDECAMARAS WILL HOLD AN
EMERGENCY MEETING ON NOVEMBER 19 TO DISCUSS THE PACKAGE OF
LAWS, AND ON NOVEMBER 28 WILL ANNOUNCE THE POSSIBLE CALL FOR
A NATIONWIDE WORK STOPPAGE. END SUMMARY.

2. WITH POLITICAL TENSIONS RISING THROUGHOUT VENEZUELAN
SOCIETY, FEDECAMARAS PRESIDENT PEDRO CARMONA TOOK AN
UNCHARACTERISTIC HARD LINE ON NOVEMBER 14, AND ATTACKED
PRESIDENT CHAVEZ'S FAILURE TO CONSULT WITH PRIVATE INDUSTRY
BEFORE THE ACCELERATED ENACTMENT OF 49 LAWS UNDER THE
PRESIDENTIAL ENABLING LAW (LEY HABILITANTE). IN PROTEST,
FEDECAMARAS'S INTERSECTORAL COMMITTEE (CONSISTING OF ALL OF
THE INDIVIDUAL CHAMBERS WHICH MAKE UP FEDECAMARAS) VOTED ON
NOVEMBER 14 TO HALT ALL OFFICIAL COMMUNICATION WITH

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UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: JOHN L MILLS
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PRESIDENT CHAVEZ'S CABINET UNTIL FEDECAMARAS HAS TIME TO REVIEW EACH ONE OF THE 49 LAWS APPROVED UNDER LEY HABILITANTE.

3. CARMONA APPEARED IN A TELEVISED NEWS CONFERENCE WITH SOME INDIVIDUAL CHAMBER OF COMMERCE PRESIDENTS (INCLUDING AGRICULTURE, CATTLE FARMERS, BUSINESS AND COMMERCE, AND INDUSTRY), AND SINGLED OUT THE HYDROCARBON AND LAND REFORM LAWS AS EXAMPLES THAT HAVE CAUSED WIDESPREAD DISCONTENT WITHIN THE PRIVATE SECTOR. CARMONA COMPLAINED THAT AMONG THE 49 LAWS, "WE WILL FIND A GUIDING THREAD OF A VISION THAT IS STATIST AND INTERVENTIONIST, THAT, OF COURSE, DOES NOT SATISFY THE EMPLOYERS."

4. ON NOVEMBER 19, FEDECAMARAS WILL BEGIN AN EXTRAORDINARY BOARD MEETING, EXPECTED TO LAST UNTIL NOVEMBER 28. THEY
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WILL EXAMINE EACH LAW AND TAKE A "DEFINITE POSITION" ON THE PACKAGE OF 49 LAWS. HOWEVER, FEDECAMARAS HAS ALREADY WARNED THAT "SOME OF THESE LAWS COULD HAVE SERIOUS CONSEQUENCES ON INVESTMENT, ECONOMIC DEVELOPMENT, AND EMPLOYMENT, AND MAY BRING MORE POVERTY TO VENEZUELA."

5. TO PROTEST THE GOV ACTION, FEDECAMARAS SPECIFICALLY NOTED THE OPTION OF A NATIONWIDE WORK STOPPAGE, SAYING THERE NOW EXISTS A CONSENSUS AMONG FEDECAMARAS MEMBERS TO CALL FOR SUCH A DRASTIC ACTION. NEVERTHELESS, FEDECAMARAS PRESIDENT CARMONA CAUTIONED THAT ANY CALL FOR A WORK STOPPAGE MUST BE BASED ON AN OFFICIAL DECISION BY FEDECAMARAS MEMBERS. CARMONA SAID THAT ON NOVEMBER 28, FEDECAMARAS WOULD ANNOUNCE WHAT TYPE OF PRIVATE SECTOR PROTEST THEY WILL RECOMMEND.

6. THE LONE DISSENTING VOICE AMONG FEDECAMARAS MEMBERS WAS MIGUEL ANGEL PEREZ, THE PRESIDENT OF THE CHAMBER OF INDUSTRY (FEDINDUSTRIA). PEREZ SAID THAT "WE DO NOT AGREE WITH CLOSING OF COMMUNICATION LINES; INSTEAD OF RESOLVING THE DIFFERENCES, IT WILL EXACERBATE THEM." NOTING THAT INTERIOR MINISTER MIQUILENA SENT A MESSAGE TO HIM INDICATING THE GOV'S DESIRE TO REACTIVATE THE MANUFACTURING SECTOR, PEREZ URGED FEDECAMARAS TO CONSIDER THE "NATIONAL INTEREST," AND NOT ONLY THE INTERESTS OF INDIVIDUAL SECTORS OF THE ECONOMY.

7. COMMENT: CARMONA, ONLY RECENTLY ELECTED AS PRESIDENT OF FEDECAMARAS, HAD BEEN ATTEMPTING TO ESTABLISH A DIALOGUE WITH THE CHAVEZ GOVERNMENT. THE CUT-OFF OF COMMUNICATION AND THE THREAT OF A NATIONAL WORK STOPPAGE ARE A STRONG REACTION TO WHAT IS WIDELY PERCEIVED TO BE A DISREGARD FOR THE VIEWS OF THE PRIVATE BUSINESS SECTOR BY PRESIDENT CHAVEZ

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AND HIS CABINET. WHILE DISCONTENT WITH CHAVEZ HAS BEEN
WIDESPREAD IN THE PRIVATE SECTOR SINCE HIS ELECTION,
CHAVEZ'S OCTOBER 29 SPEECH COUPLED WITH THE GOV'S FAILURE TO
RESPOND TO PRIVATE SECTOR CONCERNS OVER THE NEW LAWS APPEARS
TO HAVE BROUGHT THE DISCONTENT TO A HEAD. END COMMENT.

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